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**STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS
SECURITIES DIVISION**

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IN THE MATTER OF DETERMINING
whether there has been a violation
of the Securities Act of Washington by:

PROMISES CONSULTING CORPORATION
and GERALD J. GLASSER,

Respondents.

SDO - 006 - 02

SUMMARY ORDER TO CEASE AND DESIST
AND NOTICE OF INTENT TO IMPOSE FINES

Case No. 02 - 01 - 008

THE STATE OF
WASHINGTON TO:

Promises Consulting Corporation
Gerald J. Glasser, President
520 Washington Blvd, Suite 270
Marina Del Rey, CA 90292

Gerald J. Glasser
520 Washington Blvd, Suite 270
Marina Del Rey, CA 90292

STATEMENT OF CHARGES

Please take notice that the Securities Administrator of the State of Washington has reason to believe that Respondents, Promises Consulting Corporation and Gerald J. Glasser, have each violated the Securities Act of Washington and that their violations justify the entry of an order against each by the Securities Administrator under RCW 21.20.390 to cease and desist from such violations. The Securities Administrator finds that delay in ordering Respondents to cease and desist from such violations would be hazardous to investors and to the public, and that a Summary Order to Cease and Desist should be entered immediately. The Securities Administrator finds as follows:

TENTATIVE FINDINGS OF FACT

I. RESPONDENTS

1. Promises Consulting Corporation ("Promises") is a closely held for-profit Nevada corporation authorized to do business September 20, 1999. Promises is engaged in business as an independent sales office offering and selling securities on a contract basis for issuers of securities. Promises' primary place

1 of business is located at 520 Washington Boulevard, Suite 270, Marina Del Rey, California. Promises is
2 not registered as a foreign corporation authorized to do business in Washington State.

3 2. Gerald J. "Jerry" Glasser ("Glasser") is the President and sole officer of Promises. Glasser is believed
4 to reside in Marina Del Rey, California.

5 II. NATURE OF THE VIOLATIONS

6 3. On or about November 1, 2001, Respondents entered into a contract with Starcash, Inc. ("Starcash"), a
7 check cashing business providing payday advance loans to borrowers, to offer and/or sell Starcash securities.
8 Respondents obtained leads for prospective investors from Starcash, which sent, or caused to be sent,
9 unsolicited e-mail messages to Washington residents seeking potential investors. The message stated that
10 investors could make 45% annual returns investing in what Starcash identified as fully secured commercial
11 accounts receivable. Recipients of the e-mail messages were instructed to complete and return via e-mail an
12 attached electronic form providing their name, physical address, telephone number, and e-mail address.

13 4. On or about November 23, 2001, a Washington resident (the "resident") completed and returned the
14 electronic form. On or about November 26, 2001, Respondent Glasser called the resident in response and left
15 a message on the resident's voice mail. Glasser stated that Starcash had information about their offering
16 posted on their Internet web site, and directed the resident to www.starcashonline.com. Glasser stated that
17 web site was password protected and that the resident would have to enter the user name "investor" and the
18 password "starcash" to access the site.

19 5. The resident had no prior relationship with Respondents or with Starcash. The salesperson did not
20 request information about the resident's investment experience, business experience, or financial situation.

21 6. On or about November 30, 2001, Glasser called and spoke with the resident. He stated that Starcash was
22 offering investments in accounts receivable. He further stated that investor money was being used to make
23 short-term loans to Starcash's payday loan customers, that the loans were guaranteed by a check written by
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1 the customer for the face value of the loan plus an interest charge of up to 300%, and that Starcash could
2 afford to pay investors up to 45% annualized returns because they charged their customers such a high
3 interest rate.

4 7. The resident asked about the risks associated with the investment. Glasser stated that there was no risk of
5 loss, that the investment was guaranteed. He stated that less than 2% of customer checks bounced because
6 Starcash used TeleCheck™ and Tele-Track™ to verify customer accounts before making a loan.

7 8. The resident asked about the term of the investment. Glasser stated that the investment contract was for a
8 term of one year, paying 3% per month for an annual return of 36%. Investors received their first check two
9 months after investing, and received quarterly payments thereafter. At the end of the term, investors could
10 withdraw the investment or roll over for another year at the guaranteed 36% annual rate.

11 9. On or about November 30, 2001, Glasser shipped the resident a package of Starcash offering documents
12 by Federal Express. The offering documents consisted of an undated one-page letter from the President of
13 Starcash, 10 pages of information describing the Starcash offering, and a five-page "Accounts Receivable
14 Purchase Agreement."

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16 10. The resident had no prior relationship with Respondents and was not an accredited investor. The
17 resident had no experience or knowledge of the accounts receivable factoring business, and would have been
18 completely dependent upon Starcash's efforts in managing the accounts receivable contract.

19 11. The Starcash offering failed to include audited financial statements. The financial information provided
20 on gross sales and projections of gross sales did not contain information sufficient to allow investors to reach
21 reasonable conclusions regarding the offering. Risk factors associated with the investment were not
22 disclosed, in particular the risk associated with the lack of operating history and profitability. The
23 "Management" section of the offering materials failed to include sufficient information about the employment
24 history of the officers.
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12. The accounts receivable purchase agreements issued by Starcash and offered by Respondents are not currently registered in Washington, and have not previously been so registered.

13. Respondents are not currently registered to offer or sell securities in Washington and have not previously been so registered.

14. The Securities Administrator finds that the continued offering of accounts receivable purchase agreements in the manner described above, and Respondents continued operation as an unregistered broker/dealer and/or salesperson presents a threat to the investing public.

Based upon the above Tentative Findings of Fact, the following Conclusions of Law are made:

CONCLUSIONS OF LAW

1. The offer and/or sale of accounts receivable purchase agreements by Respondents constitutes the offer and/or sale of securities as defined in RCW 21.20.005(10) and (12).
2. Respondents have each violated RCW 21.20.140 by offering and/or selling said securities while no registration for such offer and/or sale was or is on file with the Securities Division of the State of Washington.
3. Respondents have each violated RCW 21.20.040 by offering and/or selling said securities while not registered as securities salespersons or as broker/dealers with the Securities Division.
4. Respondents have each violated RCW 21.20.010 in connection with the offer and/or sale of said securities because the representations made regarding the guaranteed return, security of the investment, and projections of future sales growth, were made with no reasonable basis in fact. Respondents also omitted material facts in their offerings that made the statements made in those offerings misleading.

EMERGENCY

Based upon the foregoing, the Securities Administrator finds that an emergency exists, and that Respondents' continued violations of RCW 21.20.140, RCW 21.20.040, and RCW 21.20.010 constitutes a

1 threat to the investing public. The Securities Administrator finds that a Summary Order to Cease and Desist
2 from those violations is in the public interest and necessary for the protection of the investing public.

4 **SUMMARY ORDER**

5 Based on the foregoing, NOW, THEREFORE, IT IS HEREBY SUMMARILY ORDERED that
6 Respondents Promises Consulting Corporation and Gerald J. Glasser, their officers, directors, employees,
7 partners, agents, affiliates, subsidiaries, predecessors, and successors, shall each cease and desist from
8 offering and/or selling securities in any manner in violation of RCW 21.20.140, the securities registration
9 section of the Securities Act of Washington.

10 It is further SUMMARILY ORDERED that Respondents, their officers, directors, employees, partners,
11 agents, affiliates, subsidiaries, predecessors, and successors, shall each cease and desist from violation of
12 RCW 21.20.040, the broker-dealer and salesperson registration section of the Securities Act of Washington.

13 It is further SUMMARILY ORDERED that Respondents, their officers, directors, employees, partners,
14 agents, affiliates, subsidiaries, predecessors, and successors, shall each cease and desist from violation of
15 RCW 21.20.010, the anti-fraud section of the Securities Act of Washington.
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17 **NOTICE OF INTENT TO IMPOSE FINES**

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19 Based upon the offer of unregistered securities to one Washington resident, by unregistered broker-
20 dealers and/or salespersons, the misrepresentations and omissions contained in that offer, and upon the above
21 Tentative Findings of Fact and Conclusions of Law, the Securities Administrator finds that one or more
22 knowing or reckless violations of the Securities Act have occurred such that the imposition of fines is
23 warranted pursuant to RCW 21.20.395. Therefore, the Securities Administrator intends to order that
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1 Respondents Promises Consulting Corporation and Gerald J. Glasser shall each be liable for and pay a fine in
2 the amount of \$5,000.

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4 **AUTHORITY AND PROCEDURE**

5 This Order is entered pursuant to the provisions of RCW 21.20.390 and RCW 21.20.395, and is
6 subject to the provisions of the Administrative Procedures Act, Chapter 34.05 RCW. Respondents may
7 each make a written request for a hearing as set forth in the NOTICE OF OPPORTUNITY TO DEFEND
8 AND OPPORTUNITY FOR HEARING accompanying this order. If any Respondent does not request a
9 hearing, as to that Respondent, the Securities Administrator intends to adopt the above Tentative Findings
10 of Fact, Conclusions of Law, and Summary Order as final and impose the fines sought.

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12 **WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE.**

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15 ENTERED this 24th day of January 2002.

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18 Deborah R. Bortner
19 Securities Administrator

20 Approved by:

20 Presented by:

21
22 Michael E. Stevenson
23 Chief of Enforcement

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22 Anthony W. Carter
23 Staff Attorney